

**DEPARTMENT OF STATE REVENUE**  
**LETTER OF FINDINGS NUMBER: 03-0100P**  
**Sales Tax**  
**For the Periods February 2002 through July 2002**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

II. **Tax Administration** – Interest

**Authority:** IC 6-8.1-10-1

Taxpayer protests the interest assessed

**STATEMENT OF FACTS**

Taxpayer was assessed penalties for failing to file and pay its ST-103's timely.

Taxpayer registered with the Department more than a year after it began business in the State of Indiana and filed "zero" returns for the 2001 year. For the year at issue, the taxpayer filed returns indicating sales tax was due. All were filed late.

Taxpayer, in a letter dated October 25, 2002 requests that the department waive the penalties and interest because it had applied for a Retail Merchant Certificate that was issued on September 18, 2002.

I. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer was assessed a ten percent (10%) penalty because it failed to file its returns and pay the tax collected timely.

Taxpayer states that it applied for its Retail Merchants Certificate that was not issued until September 18, 2002. Taxpayer further states it is currently up to date in paying its sales tax but failed to file previously because it was not familiar with the rules and regulations.

Department records indicate that the taxpayer has been in business since at least July 2001 but did not apply for its Retail Merchant Certificate until September 17, 2002. The returns with tax payment were filed shortly thereafter.

Taxpayer, upon opening its business, should have applied for its Retail Merchant Certificate timely which may have allowed it to file its ST103's timely. Taxpayer's filing and payment were clearly late and the Taxpayer has not provided reasonable cause to allow the penalty to be waived.

### **FINDING**

Taxpayer's protest is denied.

## **II. Tax Administration – Interest**

### **DISCUSSION**

Taxpayer protests the interest assessed.

### **FINDING**

The Department has no authority to waive interest.